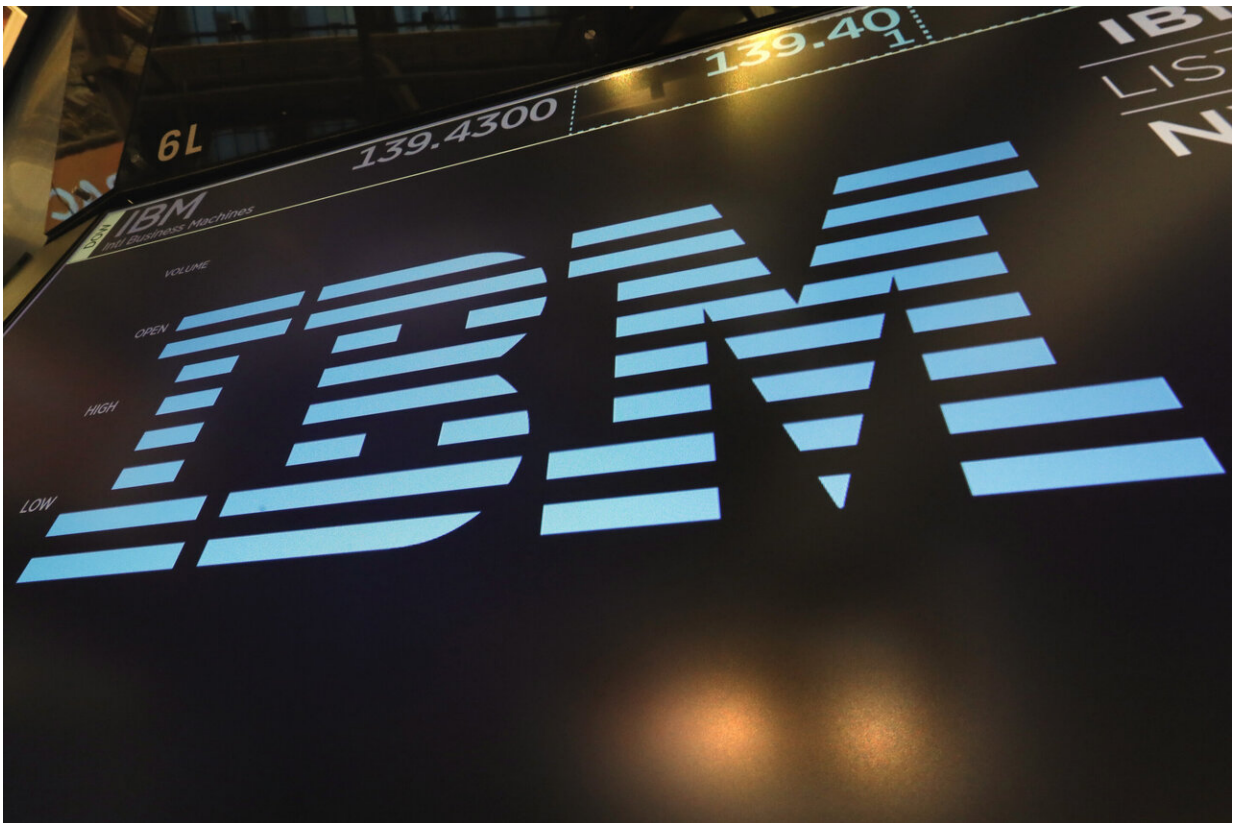


# IBM to spin off \$19B business to focus on cloud computing

October 8 2020

---



In this March 18, 2019, file photo, the logo for IBM appears above a trading post on the floor of the New York Stock Exchange. IBM says it is breaking off a \$19 billion chunk of its business to focus on cloud computing. The 109-year-old tech company said Thursday, Oct. 8, 2020, it is spinning off its managed infrastructure services unit into a new public company, temporarily named NewCo. (AP Photo/Richard Drew, File)

IBM says it is breaking off a \$19 billion chunk of its business to focus on cloud computing.

The 109-year-old tech company said Thursday it is spinning off its managed infrastructure services unit into a new public company, temporarily named NewCo. The separation is expected to take effect by late 2021.

IBM CEO Arvind Krishna said the split will help IBM focus on its cloud platform and [artificial intelligence](#), while the newly formed company will provide services to manage the infrastructure of businesses and other organizations.

IBM's annual revenue was \$77.1 billion last year. Krishna said in April at his first quarterly earnings call as CEO that the company will continue to eliminate software and services that don't align with IBM's top two focus areas for growth: cloud computing and artificial intelligence.

Once a household name for its personal computers, IBM shed its PC business in 2005 and has since become focused on supplying software services to big businesses, governments and other organizations. It has worked to strengthen its [cloud computing](#) business but has struggled to compete with top cloud rivals Amazon, Microsoft and Google.

© 2020 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: IBM to spin off \$19B business to focus on cloud computing (2020, October 8) retrieved 10 April 2024 from <https://techxplore.com/news/2020-10-ibm-19b-business-focus-cloud.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--